Minutes of Meeting

Health Services Council

Project Review Committee-II

DATE: 17 April 2008 **TIME: 2:30 PM**

LOCATION: Health Policy Forum

Department of Health

ATTENDANCE:

Committee-II: Present: Victoria Almeida, Esq., (Vice Chair), Gary J. Gaube, Maria Gil, Sen. Catherine E. Graziano RN, PhD, Denise Panichas, Robert J. Quigley, DC, (Chair)

Not Present: Rosemary Booth Gallogly

Excused: Raymond C. Coia, Esq., Wallace Gernt, Robert Hamel, RN, Rev. David Shire (Secretary)

Staff: Valentina D. Adamova, Robert Marshall, PhD, Joseph Miller, Esq.

Public: (Attached)

1. Call to Order, Approval of Minutes, Conflict of Interest Forms and Time Extension for the Minutes Availability

The meeting was called to order at 2:37 PM. Minutes of Project Review Committee-II meetings of 24 January 2008 and 20 March 2008 were accepted as submitted. The Chairman noted that conflict of interest forms are available to any member who may have a conflict. The Chairman requested a motion for the extension of time for the availability of minutes pursuant to the Open Meetings Act. A motion was made, seconded and passed by a vote of five in favor and none opposed (5-0) that the availability of minutes for this meeting be extended beyond the time frame as provided for under the Open Meetings Act. Those members voting in favor were: Gaube, Gil, Graziano, Panichas, Quigley.

2. General Order of Business

The next item on the agenda was the application of Medco Health Solutions, Inc. ("Medco") for a change in effective control of CCS Infusion Management, LLC and its affiliate Critical Care Systems, Inc., a Home Nursing Care Provider Agency at 70 Catamore Blvd in East Providence.

Mr. Tauber, legal counsel to the applicant, introduced Paul McConnell, President of Critical Care Systems. Mr. McConnell gave

an overview of the application. He described infusion therapy and associated nursing and clinical pharmacy services and supplies, which would continue to be provided as they were under the previous owner.

The Chair asked if most of these patients would remain in the hospital without home infusion services. The applicant responded that such patients do better at home; the service is more cost effective and safer (from infection) than inpatient care. Ms. Panichas asked who regulates such services. Staff advised that the applicant is licensed with Facilities Regulations as a home nursing care provider and has a RI pharmacy license.

Mr. Hess, described Accredo as one of the largest providers of specialty pharmacy services in the nation. He said that the company gets paid for the drugs and provides specialty-nursing services directly related to the infusion therapy. Some patients only receive the pharmaceuticals without the need for other nursing services. Ms. Pettine, general manager for Critical Care Systems, said that the local facility provides pharmacy services to 200-300 patients per month in the state.

Ms. Panichas asked that the applicant provide a clear statement of its charity care policy. In addition, she requested staff to conduct a review of the licensure record of the applicant. Mr. Hess noted that he knew of no licensing problems.

Mr. Gaube asked if most of the patients were referred from hospital ICUs. Ms. Pettine reported that 10-20% come from ICUs. Others include patients such as those with knee or hip replacements with infections requiring 6-8 weeks of IV treatment—which is much more cost efficient and manageable in the home.

Sen. Graziano asked if the applicant provided total nursing care for patients. The applicant responded that the facility only provides nursing services related to the infusion therapy; patients may have other unrelated health problems requiring regular visiting nurse services, rehabilitation therapists and others. The applicant also noted that it does not have Medicare or Medicaid certification. The patient-client population is drawn solely from Blue Cross, United Health Care and Neighborhood Health Plan in Rhode Island. Sen. Graziano also asked about how critical situations are handled. The applicant responded that the care of potentially critical cases is planned at hospital discharge so that all the necessary services are anticipated as much as possible. The applicant maintains a 24/7 on-call system to deal with emergencies or will instruct the patient/caregiver to call 911, if necessary. The applicant maintains policies and procedures to respond to critical events, such as adverse drug reactions—although most drug therapies are tried out first in the hospital setting to avoid unanticipated problems at home. Staffing includes 6 full-time RNs, 7 per-diem RNs, 3 full-time pharmacists and 1 per diem pharmacist. There is also telephone

access to the physician, who provides consultation and attends planning and patient review meetings on a contractual basis.

Mr. Gaube asked about accreditation. The applicant responded that they are JCAHO accredited.

The Vice Chair inquired about the past and projected losses at the RI facility. The applicant responded that this reflects insufficient reimbursement from insurers for the nursing services. However, the applicant receives reimbursement on the pharmaceuticals, which is used to offset the shortfall in nursing reimbursement and allows the company to make a profit. The Vice Chair also inquired about a past Chapter 11 bankruptcy of $185 million by Curative Services (Appendix G-6). The applicant discussed the Chapter 11 bankruptcy and noted that it is now a publicly traded company and in good financial health.

Mr. Gaube inquired about the process of discharge planning at the hospital. The applicant responded that it works with all hospitals in the state.

Sen. Graziano inquired about patient education, continuity of care, infection rates and average cost of services. The applicant responded that the nursing staff goes over a long checklist of procedures with the family/caretakers prior to beginning therapy. The pharmacist also checks in with the family weekly. Since nurses are

assigned geographically, they usually see the same patients and provide continuity of care. Catheter infection rates are only 0.25%. The "average" cost of the nursing care is about $150 per diem with about $90-100 for the drug, or about $250 total for the visit, compared to $1,500-$3,000 for a hospital day.

The Chair announced that the applicant would receive additional written questions and the Committee would review the responses at a subsequent meeting.

There being no further business, the meeting was adjourned at 3:25PM.

Respectfully submitted,

Robert Marshall, PhD